

Message Text

LIMITED OFFICIAL USE

PAGE 01 LUBUMB 00151 300959Z

43

ACTION AF-18

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 EB-11 COME-00 AID-20 TRSE-00 XMB-07 OPIC-12

DRC-01 AGR-20 /164 W

----- 026448

R 290930Z MAR 74

FM AMCONSUL LUBUMBASHI

TO AMEMBASSY KINSHASA

INFO SECSTATE WASHDC 1495

AMCONSUL BUKAVU

AMCONSUL KISANGANI

LIMITED OFFICIAL USE LUBUMBASHI 0151

E.O. 11652: N/A

TAGS: ECON EFIN PINT CG

SUBJECT: SHABA ECON SITREP NO. 10

1. FOR THE WEEK ENDING MARCH 29 SHABA'S ECONOMY CONTINUES TO REVIVE. RETAIL SALES DURING MARCH REACHED ABOUT 2/3 OF THEIR PRE-NOVEMBER LEVELS. LARGER, BETTER MANAGED BUSINESSES, MANY OF WHOME RETAIN FORMER OWNER AS MANAGERS ARE AGGRESSIVELY EXPANDING THEIR OPERATIONS AT EXPENSE UNTUTORED COLLEGUES WHOSE SMALLER POORLY MANAGED BUSINESSES ARE UNABLE TO COMPETE. WITH DEPARTURE OF FOREIGN MERCHANTS SERIOUS DISRUPTIONS CONTINUE IN THE RURAL AREAS. LARGE WHOLESALERS CONSIDERING OPENING OWN OUTLETS IN AREAS FORMERLY SUPPLIED BY INDEPENDENT FOREIGN RETAILERS. TEXTILE MANUFACTURER SOLBENA IS PURCHASING A BOAT AND BARGE TO BRING ITS WARES TO RIVERFRON TOWNS.

2. TENSION HAS EASED AS TENTATIVE PRIVATE

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LUBUMB 00151 300959Z

ARRANGEMENTS SOLIDIFY. ZAIRIAN GOVERNMENT IS

BEGINNING, SLOWLY, TO ISSUE EXIT VISA TO THOSE DISPOSSESSED FOREIGNERS WHO WISH TO LEAVE. FOR THOSE WITHOUT THE NECESSARY PERMIT "AN UNDERSTANDING" CAN BE REACHED WITH AUTHORITIES AT THE AIRPORT FOR Z 150-200. ZAMBIAN BORDER IS A LESS COSTLY EXIT POINT. AS REFLECTION ON IMPROVING SITUATION BLACKMARKET VALUE OF THE ZAIRE HAS CLIMBED SO THAT \$1.00 NOW BUYS ONLY 70-75 MAKUTAS. (THIS ALSO INDICATES MANY UNWANTED ZAIRES ALREADY ILLEGALLY TRANSFERRED.)

3. IN FACE OF A PRESIDENTIAL INQUIRY INTO THE TAKEOVERS, CONSIDERABLE SHUFFLING OF OWNERSHIP IS NOW TAKING PLACE. WHETHER OR NOT THOSE INFLUENTIAL RECIPIENTS OF SEVERAL PROSPEROUS BUSINESSES WILL ACTUALLY DIVEST THEMSELVES FOR ALL BUT ONE, AS STATED BY THE PRESIDENT, IS SERIOUSLY DOUBTED. A MORE LIKELY OUTCOME WILL BE CREATION OF ADDITIONAL "FRONT MEN" WITH REAL OWNER REMAINING DISCRETELY IN BACKGROUND.

4. ALTHOUGH SUPPLY OF MOST OTHER GOODS IS ADEQUATE, SHABA STILL FOUND NO REMEDY FOR ITS CORN SHORTAGE. PRICE OF CORN RANGES FROM \$150 PER METRIC TON IN ZAMBIA TO \$180 IN SOUTH AFRICA. SINCE WHOLESALE PRICE OF CORN FLOUR IN SHABA IS FIXED AT \$100 PER M.T. MILLERS STAND TO LOSE \$50 OR MORE FOR EVERY TON OF CORN IMPORTED. GOVERNMENTS OF ZAMBIA AND ZAIRE HAVE BEEN HOLDING DISCUSSIONS ON THIS PROBLEM FOR MONTHS. ZAMBIA WITH SURPLUS STOCKS OF CORN BUT NO EXCESS MILLING CAPACITY IS URGING ZAIRE TO PURCHASE CORN AND NOT CORN FLOUR. THE ZAIRIAN GOVERNMENT, UNWILLING EITHER TO PERMIT A VERY SUBSTANTIAL (AND VERY UNPOPULAR) RISE IN THE PRICE OF CORN FLOUR OR TO SUBSIDIZE CORN IMPORTS HAMPERS THE IMPORT OF BOTH CORN AND CORN FLOUR. JUNIOR

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC CONDITIONS, ECONOMIC RECOVERY, SALES, CORN, BUSINESS FIRMS, EXIT VISAS, BLACK MARKETS
Control Number: n/a
Copy: SINGLE
Draft Date: 29 MAR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974LUBUMB00151
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740070-1095
From: LUBUMBASHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974034/aaaaadnv.tel
Line Count: 97
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION AF
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 04 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <04 SEP 2002 by shawdg>; APPROVED <05-Sep-2002 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SHABA ECON SITREP NO. 10
TAGS: ECON, EFIN, PINT, CG
To: KINSHASA
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005